GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:784
ANSWERED ON:28.07.2005
PROFITS OF OIL PSUs
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the net profits of oil PSUs have gone down despite the global crude oil prices ruling at all time high levels;

(b) if so, the details thereof and the reasons therefor;

(c) whether the fall in their net profits have forced the oil companies to increase their borrowings;

(d) if so, whether the oil PSUs are able to invest for increasing their capacities or upgrading their technologies even after registering a fall in their net profits;

(e) if so, the details thereof; and

(f) if not, the corrective measures taken by the Union Government in this regard ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): While net profits of oil marketing companies have gone down, upstream oil PSUs have registered an increase in their profit levels reflecting inter-alia the high crude oil prices resting in international markets. The oil marketing companies registered a negative growth due to higher under recoveries on account of sale of Petrol, Diesel, Kerosene (PDS) and LPG (domestic) consequent to non-revision of retail selling prices in line with international oil prices.

(c) to (e): The average borrowings of these oil marketing companies have registered an increase in order to support investment in new capital projects and to meet the additional requirements of working capital.

(f): Does not arise.